

SENATE JOINT RESOLUTION 361

By Kilby

A RESOLUTION urging the United States Congress to address the economic impact of interchange fees and merchant discount charges and develop clear and concise disclosure to consumers and retailers.

WHEREAS, consumers are increasingly using credit and debit cards and other electronic transactions to make purchases, and the number of credit and debit card transactions each year now exceeds the number of check transactions; and

WHEREAS, payment system networks and technology provide significant economic benefits to merchants and consumers; and

WHEREAS, merchants and retailers pay merchant discount fees, including interchange fees, to access payment system networks for credit and debit transactions; and

WHEREAS, the fees, policies, and practices of credit card organizations have social and economic consequences for merchants and consumers; and

WHEREAS, interchange costs have risen dramatically in recent years and the number of transactions involving interchange fees has grown in volume in recent years due to consumer preference to use credit and debit cards and the expansions in technology facilitating the use of credit card systems; and

WHEREAS, American consumers and retailers pay the highest credit card fees in the world, with rates averaging close to 2 percent and debit card fees averaging close to 1 percent; and

WHEREAS, merchants are required to pay merchant discount fees, including interchange fees, to banks to access credit and debit card payment system networks; and

WHEREAS, interchange fees are ultimately passed on to consumers, including those who pay by cash or check, in the form of higher prices; and

WHEREAS, it is advantageous to have competitive economic models that assure a highly competitive marketplace; and

WHEREAS, with more and more consumers using electronic payment methods, the United States Congress needs to assure a highly competitive and vibrant market that promotes an economic playing field that is fair to consumers, merchants, and card providers alike; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED FIFTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that this General Assembly hereby urges the Congress of the United States of America to act expeditiously to address the economic impact of interchange fees and other merchant discount fees and develop clear and concise disclosure to consumers and retailers.

BE IT FURTHER RESOLVED, that this General Assembly strongly urges each member of the Tennessee congressional delegation to utilize the full measure of his or her influence to assess the economic impact of interchange fees and other merchant discount fees.

BE IT FURTHER RESOLVED, that the Chief Clerk of the House of Representatives is directed to transmit a certified copy of this resolution to the President and the Secretary of the United States Senate; the Speaker and the Clerk of the United States House of Representatives; and to each member of the Tennessee congressional delegation.